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*Out of Poverty*

Paul Polak is one of the most impactful people of our time. With his ingenuity, he has helped lift more than 17 million people out of poverty. How did he do this? Well, he first talked to the people in those areas around the world. That is step number one for anyone who is trying to solve a problem. Through thousands of hours of interviews, Polak found out why all of these people are poor and stay poor. The answer to that is relatively simple: they are poor because they are poor. These small-acreage farmers are not bringing in enough income to have any kind of surplus. Because of this, they cannot invest in new farming techniques due to the obscenely high cost. Thus, they remain in poverty forever. Paul Polak focuses on the market around the world that has been forgotten by every major business. The one-acre farmer. He has worked tirelessly to design products that best fit these farmers’ needs so they can increase their income. Essentially, their needs boil down to products being cheap enough to afford. An example of one of these products is an extremely cheap drip irrigation system so that farmers can grow off-season and high-value crops. Previously, one-acre farmers were at the mercy of the rain and were growing seasonal vegetables that they basically only ate for sustenance. If they were lucky enough to have a surplus in vegetables, they would sell them in the market. Unfortunately, due to the seasonal aspect of the crops, this is at the same time that every other farmer sold. Because of this, the prices are incredibly low and there is very little profit. However, if farmers were able to sell a non-seasonal crop through the use of a drip irrigation system, like cauliflower during the summer, they could generate enough income for them to invest in more cash crops, better irrigation, and afford medicine and education. Why would a company target the poor though? There’s no profitability in that sector of the market, right? The answer is a resounding “no.” When Henry Ford designed the first car that was affordable for the average worker people told him he was crazy because cars were a luxury good meant for the upperclass. When Steve Wozniak and Steve Jobs designed a computer that was affordable for the average consumer, people told them, “That’s not where the money is, the money is in the giant supercomputers.” Obviously, we can see how those stories played out. Here are some numbers. There are approximately 525 million farms in the world, 445 million (85%) of which are smaller than five acres. If 100 million of these small-acreage farmers bought a $50 quarter-acre drip irrigation system that would be a $5 billion industry. This is 10 times the current industry size. I would lump Ford, Wozniak and Jobs, and Polak into the same entrepreneur category in the fact that they all have seen the potential of untapped markets. Polak’s plan, however, serves to help millions (hopefully someday billions) of people rise out of poverty and create a better life for themselves and their families.